



STATE OF DELAWARE

**PUBLIC SERVICE COMMISSION**

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**June 14, 2017**

To: The Chair and Members of the Commission

From: Shona Marshall, Public Utilities Analyst 

Subject: IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY TO REVISE THE RATE FOR THE UTILITY RELOCATION CHARGE TO RECOVER COSTS INCURRED IN CONNECTION WITH THE RELOCATION OF ELECTRIC UTILITY FACILITIES (FILED MAY 31, 2017) - PSC DOCKET NO. 17-0401

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**Application:**

On May 31, 2017, Delmarva Power & Light Company ("Delmarva Power" or the "Company") filed an application (the "Application") seeking approval, pursuant to 26 *Del. C.* §315 and 26 *Del. Admin. C.* §1009, to revise the rate for the Utility Facility Relocation Charge ("UFRC Rate") to recover certain incurred costs related to the "Eligible Utility Facility Relocations"<sup>1</sup> ("Eligible Relocations") of electric facilities as required or necessitated by Department of Transportation or other governmental agency projects, during the periods of January 1, 2016 through April 30, 2016, May 1, 2016 through October 30, 2016 and November 1, 2016 through April 30, 2017.

The Application requested implementation of a revised UFRC Rate of 0.02%, which encompasses the Eligible Relocations additions for the rate recovery period of July 1, 2017 through December 31, 2017. The revised UFRC Rate calculation includes incremental semi-annual net utility plant additions of \$530,245.13 and an incremental semi-annual revenue requirement of \$ (82,018.01) for the period of November 1, 2016 through April 30, 2017. The proposed UFRC Rate is based on total net utility plant additions in the amount of \$1,562,115.71<sup>2</sup>, the semi-annual revenue requirement of \$16,939.36, and the semi-annual projected distribution revenues of \$102,734,979 for the combined periods of January 1, 2016 through April 30, 2016, May 1, 2016 through October 30, 2016, and November 1, 2016 through April 30, 2017.

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<sup>1</sup> A defined term in 26 *Del. C.* § 315 (a) (1)

<sup>2</sup> This includes net utility plant additions approved in Order Nos. 8911 and 9009.

The Company also included in this filing a change to the tariff Leaf No. 118 B. and Leaf No. 119 D. 4. which added the language “base rate” to the “Customer’s charge” to clarify that the rate is applicable only to the portion of the Customer’s base rate charges and not the total delivery or distribution charge, which includes other charges<sup>3</sup>.

**Staff’s Review and Recommendation:**

Staff performed a review of the Application to ensure compliance with the provisions of 26 *Del. C.* §§314 and 315 and 26 *Del. Admin. C.* §1009 and could not identify any defects or calculation errors in the rate formulation. Staff recommends that the Commission allow the UFRC Rate of 0.02% of the Customer’s base rate charges to go into effect on July 1, 2017, subject to review, audit, and an annual reconciliation of the Application and all supporting documentation.

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<sup>3</sup> In Docket No. 13-350, Order No. 8556 the Commission approved the separation of the Low Income Charge, the Green Energy Fund, and the Renewable Compliance Charge in the Distribution Charge of the customer’s bill. Order No. 8835 further separated the Renewable Compliance Charge into the amount that customers incur for traditional sources of renewable energy and the amount customers incur for the Qualified Fuel Cell Program.